



For Immediate Release

New survey shows public sector employees question if pension will be enough when they retire; recognize need to supplement savings

Washington, DC - October 19, 2006 - Four out of five public sector workers participating in 457 plans don't believe their defined benefit pensions will be enough to maintain a desired standard of living when they retire, according to the results of a survey conducted for ICMA-RC. Only two-thirds believe that even with accumulated savings of their own, they will be able to maintain a desired standard of living.

The telephone survey of ICMA-RC 457 plan participants, conducted Oct. 13-15, also found that four in 10 of those questioned waited until at least their 40s to begin saving in a 457 plan, even though half said they planned to retire by age 60. More than half were saving 6 percent or less of their salary in a 457 plan.

On a more positive note, more than half periodically increased the percentage of their salary they contributed to a 457 plan or were contributing the maximum allowed each year. And more than three-quarters reported they reviewed their retirement investment portfolio at least once a year to consider making changes. Seven in 10 considered their 457 retirement savings plan a "very" or "extremely" important way to meet their retirement objectives.

"The survey results are a call to action for America's workers to save more for retirement. Even public sector employees who are already boosting their retirement savings through supplemental savings plans can and should do more to build their retirement security," said Joan McCallen, president and CEO of ICMA-RC, a financial services firm that serves public sector employees.

"At the same time we are encouraged that this important element of the American workforce does understand the importance of their role in effective retirement planning. It's a key reason we support National Save for Retirement Week (Oct. 22-28) as a way to remind employers and employees alike that good planning begins when you measure what you are doing to reach your retirement goals," McCallen added. "It is never too late, or too early, to begin saving for retirement."

A total of 505 active status ICMA-RC 457 plan participants were interviewed for the survey. Fifty-five percent were males, and 45 percent were females. The average age of those surveyed was 47.5 years. Seven in 10 were between the ages of 40 and 59.

The survey findings were released at an ICMA-RC issues briefing for National Save for Retirement Week today at the National Press Club.

ICMA-RC is a leading provider of retirement plans for state and local employees, with management and administration of approximately \$26 billion for more than 700,000 participants. The corporation, a not-for-profit established in 1972, offers 457 deferred compensation and 401 defined contribution plans, as well as a no-fee IRA, and other retirement-related products, exclusively to public sector employees. For more information, contact Milly Stanges, Vice President of Public Affairs at 202-682-5290, or e-mail mstanges@icmarc.org.